

QUICK REFERENCE TO SBA LOAN PROGRAMS

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Effective 10/01/05

PROGRAM	AMOUNT	PERCENT OF GUARANTEE (MAX)	USE OF PROCEEDS	MATURITY	MAXIMUM INTEREST RATES	GUARANTEE & OTHER FEES	ELIGIBILITY
7(a) Loan Guarantee Program (SBA's primary loan program)	\$1,500,000* (Guarantee Amount) (Total loan cannot exceed \$2,000,000)	85% if total loan is \$150,000 or less 75% for loans greater than \$150,000	Expansion or renovation; construction of new facility; purchase land or buildings; purchase equipment, fixtures, leasehold improvements; working capital; refinance debt for compelling reasons; seasonal line of credit; inventory acquisition.	Depends on ability to repay; Generally, working capital 5-10 yrs; machinery, equipment, real estate, construction up to 25 yrs (not to exceed life of equipment).	Negotiable with Lender; Loans under 7 yrs, maximum prime 2.25%; 7 yrs or more, maximum prime + 2.75%; Under \$50,000, rates may be slightly higher.	For loans of: <u>< \$150,000*</u> - 2% of guaranteed portion. (Lender may retain .25% of gty. fee.) <u>> \$150,000</u> <u>< \$700,000</u> - 3%. <u>> \$700,000</u> <u>< \$1,000,000</u> - 3.5%. <u>> \$1,000,000</u> - 3.5% (additional .25% on portion of gty > \$1.0 million. <u>Lender's Annual Serv. Fee</u> - 0.545% of outstanding balance of SBA guaranteed portion.	Must be operated for profit; meet SBA size standards; show good character, management expertise, & commitment & show ability to repay; may not be involved in speculation or investment.
CAPLines (Short-term, Revolving Lines of Credit) - Seasonal, - Contract, - Builders, - Standard Asset Based - Small Asset Based	\$2,000,000 (Total Loan Amount) >\$200,000 <\$200,000	85% if total loan is \$150,000 or less 75% for loans greater than \$150,000	Finance seasonal working capital needs, costs to perform, construction costs, advances against existing inventory & receivables; consolidation of short-term debt.	5 year maximum	prime + 2.25	See 7(a) For loans of 12 months or less guarantee fee .25%. Under standard asset-based, no restrictions on servicing fees.	Existing businesses See 7(a)
MicroLoan Program	\$35,000 (Max. Loan Amount)	N/A	Purchase equipment, machinery, fixtures, leasehold improvements, finance increased receivables, working capital. May not be used to repay existing debt.	Shortest term possible. Not to exceed 6 years.	Negotiable with Intermediary.	No guarantee fee.	Same as 7(a)

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International Trade Loans	\$1,500,000* (Guarantee Amount) (Total loan cannot exceed \$2,000,000)	75%	Working capital improve- ments in U.S. for producing goods or services. May not be used to repay existing debt.	25 year maximum	See 7(a)	See 7(a)	Small business engaged or pre- paring to engage in intn'l trade or business which has been adversely affected by competition from imports.
Export Working Capital Program Fast turnaround, may apply for pre-qualification letter	\$750,000 (Guarantee Amount)	90%	Short-term working capital loans to finance export transactions.	Matches simple transaction cycle or generally 1 year for line of credit.	No Cap	See 7(a) Guarantee fee .25%. No restrictions on servicing fee.	Small business exporters who need short-term working capital See 7(a) for other qualifications.
504 Certified Development Corp Program	The maximum amount of CDC/504 participation in a single project is \$1.5 million . 2 million for projects which meet certain Public Policy Goals & 4 million for manufacturers.	40% of project but not over \$1,500,000	Purchase of major fixed assets such as land, buildings, improvements, long-term equipment, construction, renovation.	10 or 20 years only	Based on current market rate for 5 and 10 year treasury issues, plus an increment above Treasury rate.	Ongoing guarantee fee 0.192%	For profit businesses that do not exceed \$7 million in tangible net worth and did not have average net income over \$2.5 million for past 2 years.

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SBA Express Lender approves loan, no additional paperwork.	\$350,000. (Max. Loan Amount)	50%	Same as 7(a); limitations on real estate and construction. May be used for term loans or revolving credit.	Term loan same as 7(a) No more than 7 years on revolving line of credit.	Lenders will be allowed to charge up to 6.5% over prime for loans of \$50,000 or less and up to 4.5% over prime for loans over \$50,000.	See 7(a)	See 7(a)
Minority, Women, Veteran, or Rural Community Location Prequalification Loan Program Help to prepare application & secure loan; SBA prequalification letter. Limited Areas	\$250,000 (Max. Loan Amount)	85% if total loan is \$150,000 or less 75% for loans greater than \$150,000	See 7(a)	See 7(a)	See 7(a)	See 7(a) Minority program may use “for-profit” intermediaries. Women’s Program uses “non-profit” intermediaries only. Both may charge fees.	Must be at least 51% owned & operated by racial ethnic minority, woman, veteran, or be located in a rural community; \$5 million or less annual sales for past 3 yrs; employ 100 or fewer; focus on credit history; ability to repay & probability of success.
Community Express	\$250,000 (Max. Loan Amount)	85% loans up to \$150,000 & 75% for loans greater than \$150,000.	Loan proceeds may be used for most business purposes including start-up, expansion, equipment purchases working capital, inventory or real estate acquisitions.	Generally 5 to 10 years.	Lenders will be allowed to charge up to 4.75 over prime for loans of \$25m or < & 3.75 for loans >\$25m up to \$50m & 2.75 over prime for loans over \$50m depending on loan term.	See 7(a)	Persons who meet normal requirements for SBA loans. Also, must be located in one of Community Express’s designated areas.

*Lender Annual Service Fee 0.545% of the outstanding balance of the SBA guaranteed portion.